

HN/LAM

ORIGINAL

Decision No. 82842

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of:

(a) LAW WAREHOUSE, INC., a
California corporation, for
authority to issue and sell 30
shares of its no par capital
stock to Henry Law for \$3,000
cash; and

(b) LAW EXPRESS, INC., a
California corporation, to
transfer its public utility
warehouseman certificate of
public convenience and
necessity to LAW WAREHOUSE, INC.

Application No. 54810
(Filed April 15, 1974)

O P I N I O N

Law Express, Inc. seeks authority to transfer its public utility warehouseman certificate of public convenience and necessity to Law Warehouse, Inc., and the latter seeks authority to issue and sell 30 shares of its no par value capital stock to Henry Law for \$3,000 cash to be used for working capital.

Law Warehouse, Inc. is a California corporation incorporated on February 6, 1974. Law Express, Inc. is a California corporation operating as a public utility warehouseman at Santa Fe Springs, and as a highway common carrier of general commodities in the Los Angeles Basin Territory. Operations are also conducted under permits issued by this Commission and under Interstate Commerce Commission authority. By Decision No. 80827, dated December 12, 1972, in Application No. 53593, the Commission authorized Henry Law to control Law Express, Inc.

By Decision No. 80924, dated January 9, 1973, in Application No. 53687, the Commission granted to Law Express, Inc. a certificate of public convenience and necessity authorizing it to operate as a public utility warehouseman at Santa Fe Springs. Law Express, Inc. proposes to transfer said certificate to Law Warehouse, Inc., and the latter proposes to issue 30 shares of its no par value capital stock to Henry Law for \$3,000 cash to provide working capital.

The pro forma balance sheet of Law Warehouse, Inc., giving effect to the proposed transactions, as summarized from Exhibit C attached to the application, is as follows:

Assets

Cash	\$3,000
Warehouse certificate	<u>200</u>
Total	<u>\$3,200</u>

Liabilities

Accounts payable	\$ 200
Capital stock	<u>3,000</u>
Total	<u>\$3,200</u>

The application indicates that Law Warehouse, Inc. has available to it under long-term lease suitable facilities at Santa Fe Springs for the conduct of the public utility warehouse operations, and that it has made arrangements to transfer the merchandise presently in storage to the new location without cost to the storers.

After consideration the Commission finds that:

1. The proposed transfer would not be adverse to the public interest.
2. The proposed stock would be for a proper purpose.
3. The money, property or labor to be procured or paid for by the stock herein authorized is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.
4. With reasonable certainty the project involved in this proceeding will not have a significant effect on the environment.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary.

The order which follows will provide for, in the event the transfer is completed, the revocation of the warehouseman certificate presently held by Law Express, Inc. and the issuance of a certificate in appendix form to Law Warehouse, Inc.

Law Warehouse, Inc. is placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

In issuing this decision we place Law Warehouse, Inc. and its shareholder on further notice that we do not regard the number of shares outstanding, the total stated value of the shares,

nor the dividends paid, as measuring the return it should be allowed to earn on its investment in plant, and that this authorization shall not be construed as a finding of the value of the company's stock or operative right nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. On or before December 31, 1974, Law Express, Inc. may sell and transfer the warehouseman certificate of public convenience and necessity referred to in the application to Law Warehouse, Inc.
2. Within thirty days after the transfer Law Warehouse, Inc. shall file with the Commission written acceptance of the certificate and a true copy of the bill of sale or other instrument of transfer.
3. Law Warehouse, Inc. shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the warehouse operations transferred to show that it has adopted or established, as its own, the rates and rules. The tariff filings shall be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the transfer. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 61-Series. Failure to comply with the provisions of General Order No. 61-Series may result in a cancellation of the operating authority granted by this decision.
4. In the event the transfer authorized in paragraph 1 is completed, effective concurrently with the effective date of the tariff filings required by paragraph 3, a certificate of

public convenience and necessity is granted to Law Warehouse, Inc. authorizing it to operate as a public utility warehouseman, as defined in Section 239(b) of the Public Utilities Code, for the operation of storage or warehouse floor space set forth in Appendix A, attached hereto and made a part hereof.

5. The certificate of public convenience and necessity granted by Decision No. 80924 is revoked effective concurrently with the effective date of the tariff filings required by paragraph 3.

6. Law Warehouse, Inc. shall, at the direction of the owner of any property in storage at the present location, transport such property to the new facility at no expense or risk to the owner of the property transported.

7. Law Warehouse, Inc. shall maintain its accounting records in conformance with any applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission, and each year shall file with the Commission an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

8. On or after the effective date hereof and on or before December 31, 1974, Law Warehouse, Inc. may issue and sell not exceeding 30 shares of its no par value capital stock to Henry Law for \$3,000 cash to be used for working capital.

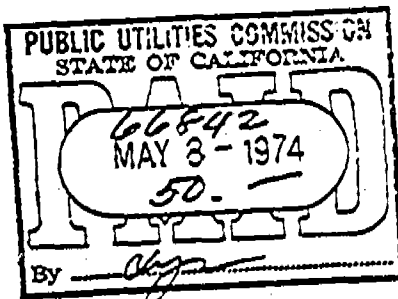
9. Law Warehouse, Inc. shall file with the Commission the report required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

A.54810 HN/LAM

10. This order shall become effective when Law Warehouse, Inc. has paid the minimum fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$50.

Dated at Los Angeles California, this 7th day of MAY, 1974.

William Lyons J. President
[Signature]
[Signature] Commissioners



Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Law Warehouse, Inc., by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to operate as a public utility warehouseman as defined in Section 239(b) of the Public Utilities Code for the operation of storage or warehouse floor space as follows:

<u>Location</u>	<u>Number of Square Feet of Floor Space</u>
Santa Fe Springs, California	15,000

(The floor space shown above is exclusive of the expansion permissible under Section 1051 of the Public Utilities Code.)

End of Appendix A

Issued by California Public Utilities Commission.
Decision No. 82842, Application No. 54810.